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23 June 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Presentation to the Contract Review Board on 15 June 1967
of the Proposed Plans of the Offices of Finance and Security
for Implementing the DD/S Recommendations Concerning
the Agency Procurement System

1. Mr. Robert H. Fuchs, Director of Finance, presented a plan whereby members of the Industrial Contract Audit Division would be physically located in the various offices of the Directorates requesting a delegation of contracting responsibility. Under this system, the person placed in the office will act as the audit member of the procurement team. As a team member, he will act individually except for policy guidance from the main Industrial Contract Audit Division. Whenever time allows, he will also provide assistance on post contract award services to the main Industrial Contract Audit Division located in the Ames Building. Thus, he will be assisting on work other than that of his Directorate during his slack periods, if any. This system will be comparable to the present assignment of Budget and Fiscal Officers within the various offices. Mr. Fuchs pointed out that he has no available slots to provide for establishing the personnel within the offices. Thus, the slots will have to be provided by or through the assistance of the particular component requesting the procurement delegation.

2. Mr. Howard J. Osborn, Director of Security, presented a system whereby Industrial Security Officers will be integrated into the procurement teams in a manner similar to that now established in the Offices of Special Activities and Special Projects, DD/S&T. The Office of Security will provide the manpower to fill the various slots, however, these officers will be under the command jurisdiction of the particular Directorate and it is expected that the Directorate will provide the necessary slots. The primary function of these Industrial Security Officers will be to act as the security team member and to conduct the initial security inspection of new contractors. The responsibilities for reinspection functions of industrial security will remain in the Security Staff, Office of Logistics, with policy guidance coming from the Industrial Security Support Division of the Office of Security. An operating plan will be written by the Office of Security and coordinated with the DD/P and DD/S&T for presentation to the Contract Review Board. This operating plan will further clarify the reinspection situation where only one Directorate is doing business with a particular contractor.

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